

MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mo. Forecast	
Investment Trends	▲	▬	Transaction volumes in H1 2022 were up appropriately 35% compared to H1 2021. However, as the effects of rising energy costs, market-wide inflation, and consumer confidence have begun to worsen, transaction activity is being curtailed. The delta between buyers' and sellers' pricing expectations is widening even more so, driven by rising financing costs and the lack of available debt.
Prime Yields	▬	▬	A limited number of prime transactions have traded within the first half of the year, with minimal movement in yields. Looking ahead, it is expected that yields are to soften outside prime locations, forced down by rising costs of debt and the risk attributed to the sector in times of recession – however, evidence of this yield movement may be sparse.
Market Performance	▲	▲	Trading performance within 2022 has generally been a positive story, with the UK market mostly having surpassed the pre-Covid benchmark of 2019 by Q2. The best market performers of H1 compared to 2019 performance are notably secondary destinations such as Bournemouth, Eastbourne and Swansea, while London has been slower to recover than the regions.
Supply	▬	▲	2022 is set to see several notable hotel openings within the capital and regions. London has and is expected to see a further ten hotel openings before the year-end, delivering approximately 2,300 additional keys to the market. A similar trend can be seen in UK regional cities, where Manchester, for example, is expected to add c. 2,400 new bedrooms over the next two years.
Demand	▲	▲	Demand has continued to recover at a good pace, especially within Q2 and into Q3. Traditional leisure-centric markets have seen strong increases on 2019 levels, mainly driven by pent-up leisure demand. Looking forward, it is anticipated that demand will continue to recover in the short term, albeit at a slower pace, due to the rise in the costs of living and economic concerns.

INVESTMENT TRENDS

HIGHLIGHTS - H1 2022

- £1.7 billion** transacted
- 104 properties** and **8,351 keys** sold
- 68%** of capital was from domestic buyers
- 44%** of volume was invested in Upscale and Upper Upscale hotels

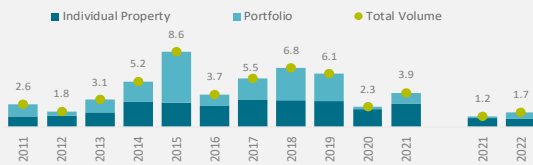
RECENT TRANSACTION TRENDS

	Last 6 months (H1 2022)				CALENDAR YEAR 2021		
	Properties Sold	Rooms Sold	Volume Transacted*	% Change**	Properties Sold	Rooms Sold	Volume Transacted*
United Kingdom	104	8,351	1,679	34.6%	140	20,884	3,931
Regional	88	5,710	892	32.6%	106	13,956	1,893
London	16	2,641	787	36.9%	34	6,928	2,038
Edinburgh	3	325	66	45.8%	11	1,513	257
Manchester	3	413	56	-38.8%	8	1,658	294
Birmingham	0	0	0	-100.0%	4	844	83

*Volume transacted in GBP. millions
**Refers to the % change in transaction volume from the same period last year

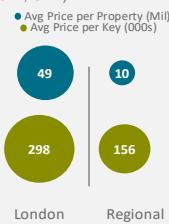
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES (2011 - H1 2022, GBP BILLIONS)

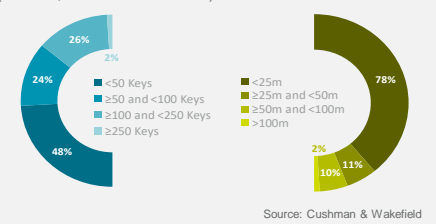


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE (H1 2022, GBP)



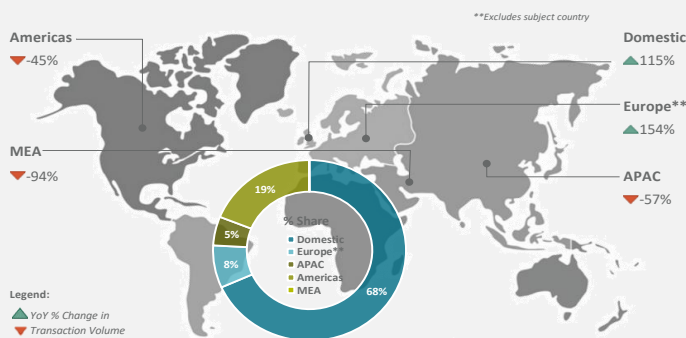
BREAKDOWN BY NO. OF KEYS SOLD & DEAL SIZE (H1 2022, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL (% CHANGE, H1 2022 vs H1 2021)



Source: Cushman & Wakefield

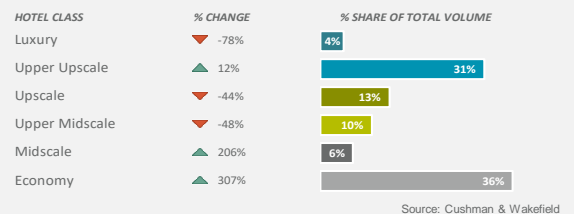
*Based on buyers whose identity is known

TRANSACTION VOLUME BY TYPE OF INVESTOR (H1 2022, % SHARE OF TOTAL VOLUME)

Investor Type	BUYERS (% Share)		SELLERS (% Share)	
	Last 6 Months	% Change	Last 6 Months	% Change
Institutional	61%	51% ▲	44%	273% ▲
Private	34%	-17% ▼	45%	-9% ▼
Public	5%	509% ▲	11%	34% ▲

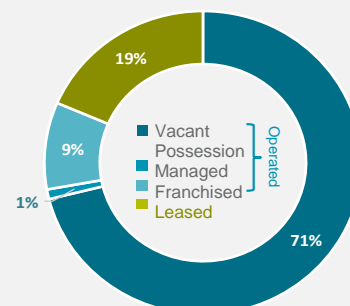
Source: Cushman & Wakefield / RCA

TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, H1 2022 vs. H1 2021)



Source: Cushman & Wakefield

TRANSACTION KEYS BY OPERATING STRUCTURE (H1 2022, % SHARE)



Source: Cushman & Wakefield

MAJOR DEALS

SELECTED MAJOR HOTEL TRANSACTIONS (UK, H1 2022)

	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
LONDON	The Bankside Hotel Autograph Collection	London	161	Vertiq Capital Advisors B.V. / Hua Kee Group	THA	Realstar Group / Amerimar Enterprises	CAN / USA
	Hilton London Olympia	London	405	Frogmore Real Estate Partners / C1 Capital	GBR	Hotel Properties Limited (HPL)	SGP
	L'Oscar Hotel	London	39	Michel Reybier Hospitality	CHE	Triangle Investment Services	GBR
	Hub by Premier Inn Farringdon*	London	180	Dartriver London LLP	GBR	Whitbread Group PLC	GBR
	Clayton Crown Hotel London	London	152	AG Hotels Group	GBR	Dalata Hotel Group	IRL
	Selsdon Park Hotel & Golf Club	London	199	Aprirose Real Estate Investment	GBR	Starwood Hotels & Resorts	USA
	The Exhibitionist Hotel	London	37	4C Hotel Group	GBR	Private Family Office	N/A
	Premier Inn Shepherd's Bush Development*	London	189	LaSalle IM	USA	Legal & General	GBR
	Croydon Park Hotel	Croydon	211	Amro Real Estate Partners Limited	GBR	Croydon Council	GBR
REGIONAL	Pig Hotels Portfolio	UK	208	KSL Capital Partners	USA	Home Grown Hotels	GBR
	Point A Portfolio	UK	1,347	Tristan Capital Partners	GBR	Raag Hotels	GBR
	The Inn Collection	UK	484	Kings Park Capital LLP	GBR	The Inn Collection Group	GBR
	Hyatt Sovereign Square*	Leeds	302	UK Commercial Property REIT Ltd / Aberdeen Standard Investments Ltd	GBR	Helios Properties GmbH	GBR
	Runnymede Hotel on Thames	Egham	180	Bourne Leisure	GBR	Ralph Trustees Limited	GBR
	Maldron Hotel Manchester Salford*	Manchester	188	CBRE IM	USA	RJR Securities	GBR
	Abbey Hotel	Bath	65	Castleforge Partners	GBR	KE Hotels	GBR
	Hotel Brooklyn Manchester	Manchester	189	CDL Hospitality Trusts	SGP	RoundApple Hotel Partners	GBR

*Forward Funding deals

UNITED KINGDOM TRANSACTIONS - MAP VIEW (2022 H1)

<£1M >£790M

Leeds

Transaction Volume* £78
 Properties Sold 2
 Rooms Sold 438

Edinburgh

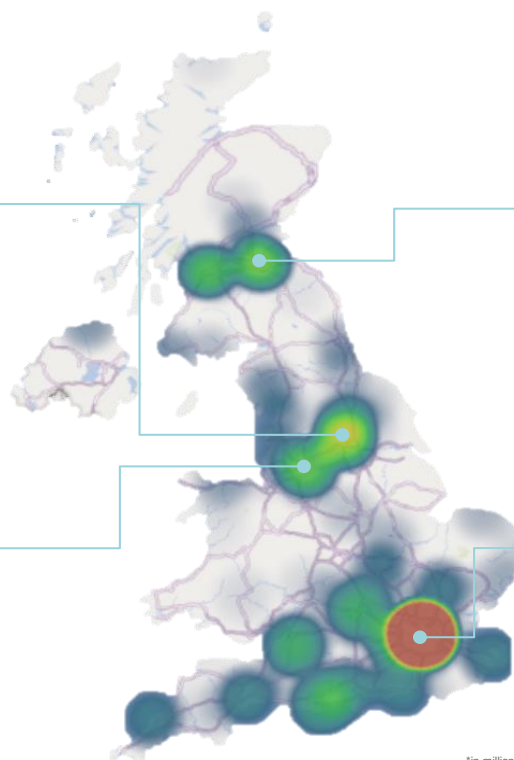
Transaction Volume* £66
 Properties Sold 3
 Rooms Sold 325

Manchester

Transaction Volume* £56
 Properties Sold 3
 Rooms Sold 413

London

Transaction Volume* £787
 Properties Sold 16
 Rooms Sold 2,641



*in millions

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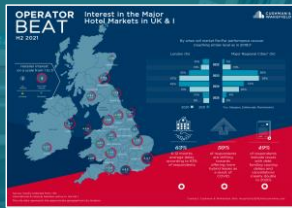
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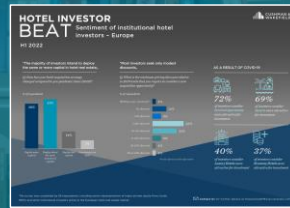
RECENT PUBLICATIONS



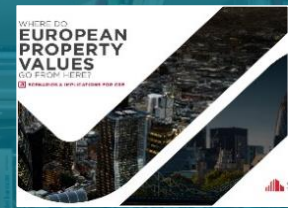
**HOTEL MARKET
BEAT - Europe:
H1 2022**



**HOTEL OPERATOR
BEAT - UK & IE:
H2 2021**



**HOTEL INVESTOR
BEAT - Europe:
H1 2022**



**WHERE DO EU
PROPERTY VALUES
GO FROM HERE**

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